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The Climate Change Advisory Committee will hold this meeting  
in person and using a virtual, Zoom webinar platform

Members of the public will be able to attend at City Hall  
or by calling in to the Zoom webinar

Please click the link below to join the webinar:

<https://bainbridgewa.zoom.us/j/91390380790>

Or Telephone: 1-253-215-8782

Webinar ID: 913 9038 0790

#### AGENDA

- 5:30 Call meeting to Order/Roll Call/Accept of Modify Agenda/Conflict of Interest Disclosure
- 5:35 Approve Minutes from September 25th, 2023 meeting
- 5:40 Public Comment
- 5:45 Climate Manager Updates (Autumn):
- Heat pump installation pilot program
  - Carbon offset/solar project
  - Climate lens discussion with Steering Committee for Comprehensive Plan Periodic Update (draft lens attached)
  - Climate Action Plan – annual progress report (similar to this [2022 report](#))
  - Quarterly CAP update at October 24<sup>th</sup> Council meeting
  - Waste reduction – next steps
  - Community engagement opportunities:
    - Provide feedback on proposed [2024 home compostable product list](#) (through October 29)
    - Provide feedback on Comprehensive Plan via a [virtual open house and workshop](#) (through October 29)
    - Attended [“Coffee, Cake and Comment” event](#) regarding EIS scoping for the Comprehensive Plan periodic update and Winslow Subarea Plan update (October 25. 4-6 PM at City Hall)
- 6:30 Updates
- PSE Franchise/Partnership Agreement (Mike C.)
  - Sustainable Transportation Request (Mike C.)
  - Groundwater Management Plan (Mike C.)
  - Climate Café (Mike C.)
  - Electrification and Home Efficiency Fair (Mike C.)
  - Upcoming CCAC meetings (Mike C.)
- 7:00 Other
- 7:15 Adjourn

## Materials

1. September minutes
2. Links from Autumn
3. Climate Lens for Discussion with Steering Committee for Comprehensive Plan Periodic Update
4. February 2021 Recommendations from the Climate Change and Utility Advisory Committees' Subgroup on the PSE Franchise Agreement.
5. Climate Café Flyer
6. Electrification and Home Efficiency Fair

Climate Change Advisory Committee  
Meeting Minutes  
September 25, 2023

Meeting called to order at 5:30 PM by Kevin.

Roll Call:

- Committee members: Derik Broekhoff, Kevin Thomas (online), Julie Matthews, Jens Boemer (online), Steve Richard, Michael Kleeman (online)
- City Council: Leslie Schneider
- City Staff: Autumn Salamack

Agenda: No additions

Conflicts of Interest: Jens offered standard disclosure that he works for an institute that serves the utility industry

Minutes: Approved (motioned by Mike, seconded by Julie, unanimously approved)

Public comments: None

Other Agenda Items

- Introduction of new members. Michael Kleeman was introduced. Committee had discussion around:
  - How we liaise with other committees
  - Providing orientation for new members
    - It was agreed to meet in small groups or singularly with new members to provide them with background on CCAC and what it has been engaged in to date
    - Committee discussed beginning the next meeting with 30-minute background/onboarding for all members who wish to attend
- Election of new chair and vice chair. Kevin Thomas was unanimously elected as Chair of the Committee. Michael Cox was unanimously elected as Vice Chair.
  - Kevin exited meeting at this point.
- Climate Lens for New Comprehensive Plan
  - The upcoming update to the comprehensive plan was discussed. Prior comp plan in 2016 led to development of the city's climate action plan. The new comprehensive plan Steering Committee is seeking input on how to incorporate a climate lens.
  - This reflects the city's own priorities, but is also in response to state law (HB 1811) that will require all municipal comprehensive plans to have a climate element by 2029, with sub-elements on mitigation and adaptation. This will mean having an explicit section, rather than incorporating climate as a consideration across all elements.
  - The Steering Committee is focused on outreach at this point. Kickoff meeting on Wednesday (September 27) at 4:30pm. Steering Committee meeting on October 12. City plans to offer recommendations on how do to ensure that 2016 comp plan elements are advanced in the 2024 plan.
  - 2024 comprehensive plan will be followed by updates to the Climate Action Plan in 2025.
  - As far as CCAC's role, the main opportunity for input may be next year (2024).

- Committee member Michael Cox provided an overview of suggested principles & requirements for including climate considerations in the comprehensive plan (these were included in the agenda packet for this meeting).
- The Committee discussed and agreed to submit these to the comp plan Steering Committee (moved by Julie, seconded by Steve).
- Climate Manager Updates
  - ICLEI “mini-COP” opportunity.
    - ICLEI invited the city to participate in an effort to coordinate local “mini-COP” meetings that could generate recommendations feeding into the UN Conference of Parties (COP) meeting on climate change in December. Committee members discussed and decided against this given time and resource constraints.
  - General updates
    - New sustainable transportation coordinator has been hired – Hannah Buchner
    - City Moving forward to find site for 120kW solar installation
      - Looking for sites on public facilities
      - Consultant will help evaluate sites
    - ETIPP held an update meeting (Steve attended with new committee member Sanjay). Discussed assessment of renewable energy resource potential on the island. Key findings: Island currently produces 1.5% of its own electricity; public buildings could provide 7.6%; including all residential would get to 31.6%; biodigesters, wind, tidal could provide only minor additional contributions; solar offers the most promising potential; there is a need to emphasize energy efficiency to maximize limited on-island power potential.
    - ETIPP will send a draft report, and also share all the data & look at ways to present.
    - Looking for volunteers at Oktoberfest (seniors center)
    - Amended waste reduction ordinance
      - No longer required to charge \$0.25 cup fee
      - Removed requirement to keep all single-use items behind counter
      - Big change from every item needs to be home compostable - now city specifies list based on criteria
      - Feedback process – will go to council to propose list in November
      - Retains PFAS requirements
    - Franchise agreement question – still ongoing
- Mike noted there are multiple reports coming out with relevance to the Climate Action Plan. Proposed that CCAC could review these reports to identify key recommendations and their relevance to the CAP.
- Mike also proposed that CCAC devote an upcoming meeting to identifying an agenda going forward
- Julie noted the need for an ethics training check-in, as well as records training (which should be forthcoming)

Derik moved to adjourn the meeting; Julie seconded. The meeting was adjourned at 7:21 PM.

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Co-Chair

Date

# Proposed Climate Lens for Outreach Activities in Support of the Comprehensive Plan Periodic Review and Winslow Subarea Plan Update *(10/9/23 DRAFT)*

This document was developed based on recommendations from the City's Climate Mitigation & Adaptation Manager and Climate Change Advisory Committee. Three key questions are highlighted to ensure that a climate change lens is applied to outreach activities in Support of the Comprehensive Plan Periodic Review and Winslow Subarea Plan Update.

1. What actions can be taken to reduce emissions during the public outreach and community engagement process?
2. Who should be included in public outreach and community engagement?
3. What information should be included in public outreach and community engagement related to climate change?

Answers to these questions should be documented in project files to indicate a climate lens was applied to outreach activities. The City's Climate Mitigation and Adaptation Manager is also available to provide assistance and answer questions from other City staff and consultants working on these plan updates.

## What actions can be taken to reduce emissions during the public outreach and community engagement process?

It is important to review opportunities to reduce greenhouse gas emissions during the public outreach and community engagement process. Suggested actions include the following:

- Ensure there are options for remote attendance.
- Encourage attendees to carpool, bike, walk, and take transit (and choose a time and location for gatherings that facilitate safe, multi-modal transportation options).
- If food is served, ensure there are low-carbon meal options (such as vegetarian) provided.
- If food and beverages are served, ensure reusable/compostable food service ware items are provided.
- Develop strategies for reducing waste (such as limiting printed materials for events and using post-consumer recycled paper).

## Who should be included in public outreach and community engagement? How will you engage these audiences?

The following groups – whose work centers on and/or aligns with climate-related issues – are recommended for targeted outreach regarding opportunities to provide input on these planning processes.

\*Please note that there may be additional groups both on- and off-island to engage based on the alignment of their work with climate change. The lists below were proposed by the City's Climate Change Advisory Committee in the summer of 2023.

### City Committees

- Climate Change Advisory Committee
- Race Equity Advisory Committee
- Utility Advisory Committee
- Environmental Technical Advisory Committee

#### Organizations

- Sustainable Bainbridge
- Climate Action Bainbridge
- Bainbridge Greenways
- Bainbridge Island Watershed Council
- Squeaky Wheels
- Bainbridge Island Park Foundation
- Bainbridge Island Land Trust

What information should be included in public outreach and community engagement related to climate change? How can this information be shared with community members?

The following information should be shared to provide a common level of understanding for conversations regarding existing climate action goals in adopted City plans, anticipated climate change impacts for the Island, actions that can reduce greenhouse gas emissions, actions that can help the community adapt to climate change impacts, and existing efforts in support of climate mitigation and adaptation.

- Overview of [climate change impacts for Bainbridge Island](#).
- Overview of how climate change was integrated into the 2016 Comprehensive Plan update.
- Overview of the [2020 Climate Action Plan](#).
- Overview of actions the City is currently taking to address climate change (see [www.bainbridgewa.gov/ClimateAction](http://www.bainbridgewa.gov/ClimateAction) for more information).

Requests for assistance from City staff to develop any additional educational materials for sharing with the public on climate change impacts and/or mitigation activities should be made at least ten (10) business days in advance of the education/outreach event. All materials developed by consultants for public outreach on this topic should be shared with the City's Climate Mitigation and Adaptation Manager for review at least five (5) business days in advance of sharing with the public.

**Executive Summary:  
Recommendations from the Climate Change and Utility Advisory  
Committees' Subgroup on the PSE Franchise  
(February 18<sup>th</sup>, 2021)**

Scientific evidence has shown that Earth's changing climate is an immediate and existential threat to humanity. The cause is our civilization's overproduction of greenhouse gases (GHG) that trap the Earth's heat. Bainbridge Island has committed to do its part to address this crisis by reducing our GHG emissions by 90 percent by 2045 compared to levels in 2014. Our inventory of the sources of these emission reveal that 53% percent are from our use of electricity<sup>1</sup>.

Therefore, to achieve the goals of our Climate Action Plan (CAP), the City of Bainbridge Island (COBI) intends to work collaboratively with Puget Sound Energy (PSE). Such a partnership can help COBI meet its climate, energy, safety, reliability, and undergrounding goals and PSE to meet its mandated requirements under the Washington State Clean Energy and Transformation Act (CETA)<sup>2</sup>.

In addition, the 2017 Bainbridge Island Comprehensive Plan<sup>3</sup> included a Utilities - Electrical element that had a goal to **"ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island"**. The element also had nine policies that we believe are consistent with the recommendations in this report (see Appendix B).

The last PSE Franchise Agreement (Franchise Agreement) with COBI was a 15-year agreement begun in 2007 (Ordinance 2007-11)<sup>4</sup>. A

**Vision:** COBI and PSE will work collaboratively to support and achieve our respective goals for the benefit of Bainbridge Island residents, businesses and the broader community.

**Principles:** COBI and PSE will develop a Franchise Agreement and a parallel Partnership Agreement that:

- Protects public health and safety;
- Promotes collaboration;
- Advances equity;
- Provides accountability; and
- Is scalable.

**Goals:** COBI and PSE will work together to meet the following COBI goals:

- Reduce greenhouse gas emissions by 90 percent by 2045 compared to 2014 levels
- Achieve 100 percent carbon free electricity for Bainbridge Island by 2040
- Increase transparency on data related to reliability and bring Bainbridge Island's duration and frequency of interruptions up to PSE's system averages within 2-3 years.

<sup>1</sup> City of Bainbridge Island Greenhouse Gas Emissions Report. 2019. Final Findings Report. Cascadia Consulting Corp Inc. <https://www.bainbridgewa.gov/922/Climate-Change-Advisory-Committee>.

<sup>2</sup> CETA requires the State's electrical supply to be free of coal by 2025, carbon neutral by 2030 and 100% carbon-free by 2045.

<sup>3</sup> Bainbridge Island Comprehensive Plan. 2017. <https://www.bainbridgewa.gov/162/Comprehensive-Plan>

<sup>4</sup> AN ORDINANCE granting to Puget Sound Energy, a Washington public service company, and its successors and assigns, for a period of fifteen ( 15) years, the right, privilege, authority, consent and approval to set, erect, lay, construct, extend, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and

new Agreement is scheduled to be completed by the end of April 2022. The current Agreement includes no reference to GHG, climate change, energy efficiency, renewable energy, local energy generation, green building standards, transportation electrification, or reliability. It does address undergrounding of utility lines (see Appendix A).

Our subgroup has concluded that COBI and PSE must take three important initial steps in developing a new Franchise and Partnership Agreements:

- Identify a shared vision for success;
- Agree on a general set of principles to guide negotiations; and
- Develop a mutual understanding of our respective climate, energy, safety, reliability, and undergrounding goals.

The main report contains a more detailed description of the vision, principles, and goals.

## **Recommendations**

As a first step, the Subgroup conducted research to learn how other cities have incorporated climate, energy, safety, reliability and undergrounding goals into their Franchise Agreements. A particularly useful resource was a study completed by the National Renewable Energy Lab (NREL) that surveyed over 3600 municipalities<sup>5</sup> regarding their Franchise Agreements. Seventy-two of those municipalities were in Washington State with 25 cities in the PSE service area<sup>6</sup>.

Based on that research, we developed recommendations in several areas as summarized below. The main report includes a more detailed discussion of the research, findings, and recommendations. We believe the recommendations are consistent with the goals and policies in the Bainbridge Island Comprehensive Plan.

### **Recommendation #1: COBI and PSE develop a separate Partnership Agreement in parallel with the development of a new Franchise Agreement.**

While some cities have incorporated specific climate, energy, safety, reliability and undergrounding goals in their Franchise Agreements, many others have used parallel Partnerships Agreements<sup>7</sup>.

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through the Franchise Area for purposes of transmission, distribution and sale of electric energy for power, heat, light and any other purpose for which electric energy can be used.

<sup>5</sup> Cook, Jeffrey; Grunwald, Bryn; Holm, Alison; and Aznar, Alexandra. 2020. Wait, cities can do what? Achieving city energy goals through Franchise Agreements. Energy Policy (144)(2020) 111619. National Renewable Energy Laboratory. The National Renewable Energy Lab specializes in renewable energy and energy efficiency research and development. NREL is a government-owned, contractor-operated facility, and is funded through the United States Department of Energy.

<sup>6</sup> Anacortes, Bainbridge Island, Bellevue, Bellingham, Black Diamond, Bonney Lake, Bremerton, Buckley, Burien, Des Moines, Duvall, Kenmore, Kent, Issaquah, Lynden, Maple Valley, Mercer Island, Normandy Park, Puyallup, Renton, Sammamish, Sea-Tac, Snoqualmie, Tumwater, and Woodinville.

<sup>7</sup> Bonugli, Celina; Duncan, Jake; Crandall, Kelly, and Etter-Wenzel, Cassandra. 2019. Utilizing City-Utility Partnership Agreements to Achieve Climate and Energy Goals. World Resources Institute. Working Paper.



Partnership Agreements establish a working relationship between the City and a Utility to develop a workplan for achieving the City’s goals. They also include a mechanism for administrating the Partnership Agreement and establishing commitments from both parties to achieve those goals.

We recommend that COBI and PSE develop a Partnership Agreement in parallel with the Franchise Agreement. While this makes the process more complicated, it can help ensure COBI’s climate, energy, safety, reliability, and undergrounding goals are achieved.

**Recommendation #2: The Franchise Agreement and Partnership Agreements contain specific commitments from both PSE and COBI.**

We believe it is important that both the Franchise and Partnership Agreements contain specific commitments to maintain accountability over the lifetime of the Agreements. The commitments must have timelines, specify how PSE and COBI will work together to meet those commitments, and spell out consequence of not meeting the commitments.

Table 1 provides a summary of the major commitments that we recommend be included in the Franchise and the Partnership Agreements. We believe these commitments are consistent with the goals and polices in the 2017 Comprehensive Plan.

**Table 1: Proposed Commitments for the Franchise and Partnership Agreements**

Area	Franchise Agreement	Partnership Agreement
<b>Collaboration</b>	PSE and COBI work collaboratively to achieve our shared goals for reducing environmental impacts, preparing for climate change, and increasing safety and reliability.	PSE and COBI work collaboratively to achieve our shared goals for reducing environmental impacts, preparing for climate change, and increasing safety and reliability.
<b>Transparency</b>	PSE commits to provide a semi-annual report and presentation to the City Council on their current and planned efforts to achieve the goals of the Franchise Agreement.	PSE commits to provide a semi-annual report and presentation to the City Council on their current and planned efforts to achieve the goals of the Partnership Agreement.
<b>Demand Reduction</b>		PSE and COBI establish specific commitments to reduce both total energy demand and peak energy demand.
<b>Energy Supply</b>	PSE and COBI work collaboratively to provide 100% carbon free electricity to Bainbridge Island by 2040, five years ahead of the CETA requirements.	

September 2019. <https://wriorg.s3.amazonaws.com/s3fs-public/utilizing-city-utility-partnership-agreements-achieve-climate-energy-and-goals.pdf>.

Area	Franchise Agreement	Partnership Agreement
	<p>PSE and COBI work collaboratively to set interim benchmarks for this pathway to carbon free electricity that provide meaningful waypoints within the length of the agreement.</p> <p>PSE commits to provide COBI with information needed to complete the Bainbridge Island GHG emissions inventory (e.g., annual average ratio of CO2 emissions per KWH power/year) and other information related to GHG reductions as requested by COBI.</p>	
<b>Local Generation</b>		<p>PSE and COBI commit to set targets for generating carbon free electricity on Bainbridge Island especially for low income, affordable, and senior housing.</p>
<b>Green Building Fund</b>		<p>PSE and COBI commit to explore establishing a Green Energy and Building Fund.</p>
<b>Electrification of Transportation</b>		<p>PSE and COBI commit to develop the infrastructure needed for electric vehicles on Bainbridge Island, including the installation of fast charging infrastructure.</p> <p>PSE and COBI coordinate with Washington State Ferries and other entities as necessary to evaluate the need for, and feasibility of, establishing charging infrastructure on the Island to service ferries.</p>
<b>Reliability</b>	<p>PSE commits to increase its transparency on reliability reporting and bring Bainbridge Island’s SAIDI and SAIFI<sup>8</sup> numbers up to PSE’s system averages.</p>	<p>PSE commits to post SAIDI and SAIFI comparisons to Kitsap County, the PSE service area, other major public private utilities in WA and IEEE or other industry standards.</p> <p>COBI commitments to facilitate discussion with the Community on improvements to the transmission, substations and other facilities on the island.</p> <p>PSE commits to post the status of projects completed, underway and planned to improve reliability by section and as a system. This should include “wired” and “non-wired”</p>

<sup>8</sup> The metrics that describe the duration and frequency of interruptions are known as the **System Average Interruption Duration Index (SAIDI)** and **System Average Interruption Frequency Index (SAIFI)**.

Area	Franchise Agreement	Partnership Agreement
		<p>solutions such as battery storage and demand management.</p> <p>PSE commits to evaluating adding a specific amount of tree wire<sup>9</sup> over the next 2-3 years.</p>
<b>Undergrounding</b>	<p>PSE commits to develop a 15 to 20-year plan to underground the remaining (and future) above ground distribution segments. PSE would prioritize these segments by expected impact on reliability and safety. The annual program should be approximately equal each year.</p> <p>COBI would provide its financial commit in a timely fashion each year or biennium.</p>	<p>PSE commits to evaluate providing walking and biking paths in the right of way under the utility distribution lines.</p>

**Recommendation #3: The length of the PSE Franchise Agreement should be 10 years. The length of the Partnership Agreement will be determined during its development.**

We recommend that the length of the Franchise Agreement be for 10 years, which is the length of the Franchise Agreements in Bellevue, Black Diamond, and Sammamish according to the survey conducted by NREL<sup>10</sup>.

Our current Franchise Agreement is for 15 years. We believe, however, that a shorter duration is important due to the changing nature of the energy field and the rapid advancement in integrating renewable energy into the energy mix.

We would prefer a Franchise Agreement of just 5 years but understand that the resources and time to complete Franchise Agreements is substantial. We recommend that the length of the Partnership Agreement be determined during the Franchise negotiations.

**Next Steps**

- Present the findings and recommendations of the CCAC/UAC to the City Council.
- Present the findings and recommendations of the CCAC/UAC to the City Staff responsible for the PSE Franchise Agreement negotiations.

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<sup>9</sup> Tree wire or covered open wire consists of the conductor (aluminum, aluminum alloy or ACSR ) and the extruded covering (conductor shield, low density inner layer and protective outer layer). Covering thickness depends on the system voltage. It is designed for full span applications and is supported on polyethylene insulators

<sup>10</sup> Cook, Jeffrey; Grunwald, Bryn; Holm, Alison; and Aznar, Alexandra. 2020. Wait, cities can do what? Achieving city energy goals through Franchise Agreements. Energy Policy (144)(2020) 111619. National Renewable Energy Laboratory.

- Participate in PSE Franchise Agreement negotiations as outlined in an October 18, 2019 memo to the City of Bainbridge Island from Elana Zana from Ogden, Murphy Wallace, PLLC on the public process for PSE Franchise Negotiations as presented at the October 22<sup>nd</sup>, 2019 City Council Meeting<sup>11</sup>.

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<sup>11</sup> <https://www.bainbridgewa.gov/1101/City-Council-Agendas>. October 22<sup>nd</sup>, 2019 Meeting.

**PSE Franchise Agreement: Findings and  
Recommendations from Climate  
Change and Utility Advisory  
Committee's to the Bainbridge Island  
City Council**

## A. Introduction

The climate crisis is an immediate and existential threat to our children’s existence. The world is now producing more carbon than is sustainable with consequences that are exceedingly dire. We believe therefore it is imperative for the City of Bainbridge Island (COBI) to work collaboratively with Puget Sound Energy (PSE) to create a partnership that can help COBI meet its climate, energy, reliability, safety, and undergrounding goals and for PSE to meet its mandated requirements under the Washington State Clean Energy and Transformation Act (CETA)<sup>12</sup>.

This is reinforced by the goals and policies articulated in the 2017 Bainbridge Island Comprehensive Plan (see Appendix B). The Comprehensive Plan included an “Utilities Element - Electrical” with a goal to “**Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island**”.

Under the goal there are nine policies. We believe the recommendations in this report are consistent with those goals and policies. A few of those policies are included below:

- Policy U 14.1 Develop a plan together with the electric service provider to undertake energy efficiency improvements and other alterations of electric utility facilities to provide capacity for future growth.
- Policy U 14.3 Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.
- Policy U 14.4 Encourage undergrounding new and existing electric transmission and distribution power lines, and develop a long-term strategy for future undergrounding, to include maximizing opportunities with new construction, and prioritizing the work that affects the greatest number of households and businesses.
- Policy U 14.5 Encourage the electric service provider and electricity users to use carbon neutral electricity generation, local electricity generation, and innovative technologies such as solar power that are reliable, cost effective, preserve resources, provide minimal environmental impact, and do not contribute to global warming.
- Policy U 14.9 Explore ways to obtain 100% green electricity including investing in new renewable energy projects.

The last PSE Franchise Agreement (Franchise Agreement) with COBI was in 2007 (Ordinance 2007-11)<sup>13</sup>. The Franchise Agreement was for 15 years and a new one is scheduled to be completed by the end of April 2022. The current Franchise Agreement

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<sup>12</sup> CETA requires the State’s electrical supply to be free of coal by 2025, carbon neutral by 2030 and 100% carbon-free by 2045.

<sup>13</sup> AN ORDINANCE granting to Puget Sound Energy, a Washington public service company, and its successors and assigns, for a period of fifteen ( 15) years, the right, privilege, authority, consent and approval to set, erect, lay, construct, extend, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area for purposes of transmission, distribution and sale of electric energy for power, heat, light and any other purpose for which electric energy can be used.

does not include any reference to climate change, energy efficiency, renewable energy or local energy generation, green building standards, transportation electrification, or reliability. The current Franchise Agreement does address undergrounding (see Appendix A).

## **B. Climate Change and Utility Advisory Committee Subgroup**

In 2019, a subgroup consisting of representatives from the Climate Change Advisory Committee (CCAC) and Utility Advisory Committee (UAC) was formed. The purpose of the sub-group was to provide recommendations to the City Council on the 2022 renewal of the Agreement with COBI.

The subgroup recognizes COBI has established a process for negotiating with PSE on the Franchise Agreement and recognizes that it is not the role of the CCAC or the UAC to negotiate with PSE on the Franchise Agreement.

The process for the PSE Franchise Negotiation was outlined in an October 18, 2019 memo to the City of Bainbridge Island from Elana Zana from Ogden, Murphy Wallace, PLLC on the public process for PSE Franchise Negotiations as presented at the October 22<sup>nd</sup>, 2019 City Council Meeting<sup>14</sup>. This process may have been modified because of the pandemic but we would encourage the City to engage the CCAC and UAC early in the negotiations.

At the October 6<sup>th</sup>, 2020, the City Council approved the subgroup reconvening to provide information to COBI that can be used when renegotiating the Franchise Agreement.

## **C. Proposed COBI Vision for PSE Franchise Agreement**

COBI and PSE both have their own visions for the future. For purposes of this Franchise Agreement, we propose the following shared vision. We believe this vision is consistent with the goals and policies articulated in the 2017 Bainbridge Island Comprehensive Plan.

- COBI and PSE will work collaboratively to support and achieve each other's goals for the benefit of Bainbridge Island residents, businesses and the broader community.
- We will work together to make Bainbridge Island a Regional leader in addressing climate change.
- We will work together to significantly reduce the Island's GHG emissions by working collaboratively to increase the supply of clean energy generated both on and off the Island and reducing energy demand on the Island.
- We will work together to make sure the solutions identified are equitable for all residents of Bainbridge Island.

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<sup>14</sup> <https://www.bainbridgewa.gov/1101/City-Council-Agendas>. October 22<sup>nd</sup>, 2019 Meeting.

- We will work together to develop a Green Energy and Building Fund to help residents who need assistance to reduce their energy demand.
- We will work together to develop the infrastructure needed for electric vehicles and where needed to ensure the smooth transition to the new hybrid ferries that service Bainbridge Island.
- We will work together to improve the safety and reliability of electricity on the Island for all people and locations and to complete undergrounding where appropriate.
- We both acknowledge that PSE’s ability to implement innovations rapidly may be constrained by regulatory requirements. We will work to minimize both external and internal barriers to the rapid implementation of the climate, energy, safety, reliability, and undergrounding goals.

#### **D. Proposed Principles for PSE Franchise and Partnership Agreements**

We believe it is important that COBI and PSE agree on general principles for negotiating the new Franchise Agreement and the Partnership Agreements. We propose the following five principles to guide the discussion.

Public Health and Safety: COBI and PSE will create a Franchise and Partnership Agreements that protects the public health and safety of Bainbridge Island residents.

Collaboration: COBI and PSE will work collaboratively to achieve both organizations’ goals with respect, transparency and innovative thinking, as well as establishing open and effective channels of communication.

Equity: COBI and PSE will create a Franchise and Partnership Agreements that considers and minimizes the potential for unintended and/or inequitable impacts, establishes partnerships with underserved communities and involves diverse community voices from the start of the negotiation.

Accountability: COBI and PSE will establish commitments to ensure the climate, energy, safety, reliability, and undergrounding goals in the Franchise and Partnership Agreements are achieved.

Scalability: COBI and PSE will create a Franchise and Partnership Agreements that are replicable, scalable, and available for other communities in Washington State.

#### **E. Proposed Goals for Franchise and Partnership Agreements**

The CAP established goals and targets in multiple areas that are relevant to the PSE Franchise and Partnership Agreements: greenhouse gas emissions, energy demand, energy supply, preparedness, green building, and electrification. In addition, the 2017 Bainbridge Island Comprehensive Plan included goals and policies that are relevant to the PSE Franchise and Partnership Agreements.



COBI does not currently have any specific goals or targets for reliability. PSE has announced a multiyear program for increasing reliability<sup>15</sup> which includes a volunteer Community Sounding Board helping PSE evaluate routing. However, we believe there is a continued need to increase transparency and improve reliability.

There are currently no specific goals or targets for undergrounding. It is important to differentiate between undergrounding of transmission and distribution power lines. Transmission lines carry 115KVA and are much more expensive and dangerous to bury. They need a 25' by 8' by 8' vault buried every 2000 feet. Burying these lines is probably not worth considering. Undergrounding distribution power lines is common and required in new developments already. Many other communities have buried existing distribution power lines over time to improve reliability.

The UTC prohibits PSE from paying for the undergrounding on Bainbridge Island and then spreading the costs to all service areas rate payers. The Utilities and Transportation Commission (UTC) has created a tariff structure that COBI and PSE could utilize to create an undergrounding program for existing distribution lines. The Franchise and Partnership Agreements should require PSE to develop such a program, with PSE setting the priorities based on reliability gains subject to the City's ability to pay. Then COBI would need to decide where those resources would come from (e.g., general funds, or by establishing Local Utility Districts).

Table 2 provides the climate and energy goals and targets established in the CAP for COBI and proposes reliability and undergrounding goals and targets.

**Table 2: COBI Climate, Energy, Reliability and Undergrounding Goals and Targets**

Area	Goal	Target
<b>GHG Emissions</b>	Reduce GHG emissions	Reduce GHG emissions by 90% by 2045 compared to 2014 levels with interim goals of reducing greenhouse gases by 25% by 2025 and 60% by 2035 compared to 2014 levels.
<b>Energy Demand</b>	Increase energy conservation and efficiency throughout the planned and existing built environment, including	By 2022, COBI will have established a Green Energy and Building Fund to assist with conversions and efficiency upgrades for homes, businesses, and institutions with a focus on low-income housing.

<sup>15</sup> Program includes: 1) Replacing the Winslow Tap; the distribution line from the top of the island to the Winslow substation (underway); 2) Constructing the "missing link" transmission line to connect the Winslow and Murden Cove substations; 3) Adding more "tree wire" and more tree trimming; and PSE is exploring various "non-wire" solutions such as battery storage capacity at Murden Cove and demand management solutions for residential and commercial locations.

Area	Goal	Target
	customer-owned generation.	
<b>Energy Supply</b>	Eliminate carbon-based energy sources from all energy sectors.	<p>By 2022, COBI adopts policies that prohibit propane, fuel oil, and wood stoves as the primary source of heating in all new residential, commercial, industrial, and municipal buildings.</p> <p>By 2040, all of Bainbridge Island’s sources of electricity are carbon-free.</p>
<b>Preparedness</b>	Create energy self-sufficiency for emergency preparedness and increase energy infrastructure reliability and resilience in light of the changing climate.	By 2023, half of the twelve Bainbridge Prepares disaster hubs have installed 6-20kW solar arrays and storage for resilience.
<b>Green Building</b>	Reduce GHG emissions from all municipal, commercial, industrial and residential buildings (work with other taxing districts such as schools and parks).	By 2021, COBI has adopted green building standards and practices for all new municipal, residential, commercial, and industrial buildings, including affordable housing and all renovations and additions of a certain size.
<b>Electrification of Transportation</b>	Reduce GHG emissions from motorized transportation, including through electrification of all modes (on-road, off-road, and ferries) and encourage reduction of air travel.	<p>By 2025, transition COBI’s fleet to 75% electric vehicles and the remainder to biofuels.</p> <p>By 2030, increase the mode share of public transit to 5% (currently 2%) and to 10% by 2045.</p> <p>By 2045, 80% of registered vehicles on Bainbridge Island will be either electric vehicles or plug-in hybrid electric vehicles.</p> <p>Coordinate with Washington State Ferries, PSE, and other entities as necessary to evaluate the need for, and feasibility of, establishing charging infrastructure on the Island to service ferries.</p>
<b>Reliability</b>	Increase transparency and improve reliability	PSE commits to publicly post on their website details of reliability dating back 10 years to the present for the Island as a whole and the major distribution branches.

Area	Goal	Target
		PSE commits to bring Bainbridge Island’s SAIDI and SAIFI <sup>16</sup> numbers up to PSE’s system averages with 2-3 years.
<b>Undergrounding</b>	Increase undergrounding	PSE commits within the first year of the Franchise Agreement to develop a 15 to 20-year plan to underground the remaining (and future) above ground distribution segments.

## F. Research Questions and Findings

The subgroup started its work by asking several questions and then looking for examples of how other cities have incorporated climate, energy, safety, reliability, and undergrounding goals into their Franchise Agreements. The best source we found was a study completed by the National Renewable Energy Lab (NREL) that surveyed over 3600 municipalities<sup>17</sup> with 72 of those in Washington State. The data base includes 25 cities that are in the PSE service area<sup>18</sup>.

In addition, NRLE published a paper that summarizes their findings from the survey and includes detailed analysis of the programs in Chicago, Denver, Sarasota, Minneapolis, and Salt Lake City<sup>19</sup>.

### Have cities incorporated climate, energy, safety, reliability, and undergrounding goals in their Franchise Agreements?

Findings: The NREL study found the following on how cities have incorporated their climate and clean energy goals into their Franchise Agreements:

- Questions on reducing GHG emissions was not included in survey
- 127 cities mentioned energy efficiency (4%)
- 73 cities mentioned renewable energy (2%)
- 56 cities had a 100% renewable energy goal (2%)
- 41 cities mentioned electric vehicles or electric infrastructure (1%)

<sup>16</sup> The metrics that describe the duration and frequency of interruptions are known as the **System Average Interruption Duration Index (SAIDI)** and **System Average Interruption Frequency Index (SAIFI)**.

<sup>17</sup> Cook, Jeffrey; Grunwald, Bryn; Holm, Alison; and Aznar, Alexandra. 2020. Wait, cities can do what? Achieving city energy goals through Franchise Agreements. Energy Policy (144)(2020) 111619. National Renewable Energy Laboratory.

<sup>18</sup> Anacortes, Bainbridge Island, Bellevue, Bellingham, Black Diamond, Bonney Lake, Bremerton, Buckley, Burien, Des Moines, Duvall, Kenmore, Kent, Issaquah, Lynden, Maple Valley, Mercer Island, Normandy Park, Puyallup, Renton, Sammamish, Sea-Tac, Snoqualmie, Tumwater, and Woodinville.

<sup>19</sup> Cook, Jeffrey; Aznar, Alexandra; Grunwald, Bryn; and Holm, Alison. Hand me the Franchise Agreement: Municipalities Add Another Policy Tool to their Clean Energy Toolbox. 2020. Solar Energy. In Press

The data base indicates none of the 25 Franchise Agreements for cities in the PSE service area include references to energy efficiency, renewable energy, 100% renewable energy goals, or electric vehicle infrastructure. The NREL survey found that 322 utilities had included provisions for undergrounding infrastructure in their Franchise Agreements (9%). The survey did not ask questions about reliability.

For the PSE customers, the NREL data base indicated 12 of 25 cities included undergrounding provisions in their Franchise Agreements.

### **Have Cities Used Other Types of Agreements (Partnerships Agreements) along with the Franchise Agreement to advance their climate, energy, safety, reliability, and undergrounding goals?**

Findings: A paper by the World Resource Institute evaluated how Cities have developed Partnership Agreements to achieve their climate and energy goals<sup>20</sup> independent of Franchise Agreements. The paper provides a step-by-step process for establishing these partnerships and identifies the common elements in the agreements (e.g., structure, implementation/governance, administration, who should be involved, when and how to pursue agreements, approving agreements, and delivery of agreement).

The paper provides the links to six city-utility partnerships: Sarasota, Minneapolis, Salt Lake City, Madison, Denver, and Charlotte (see Tables 4-6 for more details). Seven of the eight cities presented in the two studies used Partnership Agreements with utilities instead of Franchise Agreements to achieve their climate and energy goals.

The Partnership Agreements are negotiated in parallel or separately from the Franchise Agreements. In addition, the Partnership Agreements are generally non-binding and establish working partnerships with the utility to develop a workplan for achieving the cities goals along with a mechanism for administering the Partnership Agreements and establishes metrics and commitments from both parties.

### **What is the average length of other cities Franchise Agreements?**

Findings: The current PSE Franchise Agreement with COBI is for 15 years. Based on the NREL data base we found the following length of time for Franchise Agreements in cities.

- 1-10 years (6%)
- 11- 20 years (18%)
- 21-30 years (19%)

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<sup>20</sup> Bonugli, Celina; Duncan, Jake; Crandall, Kelly, and Etter-Wenzel, Cassandra. 2019. Utilizing City-Utility Partnership Agreements to Achieve Climate and Energy Goals. World Resources Institute. Working Paper. September 2019. <https://wriorg.s3.amazonaws.com/s3fs-public/utilizing-city-utility-partnership-agreements-achieve-climate-energy-and-goals.pdf>.

- > 30 years (6%)
- No term limit identified (6%)
- Not available (44%)

The length of the Franchise Agreements for the 25 cities in the PSE service area in the NREL data base are as follows along with the expiration date on their current Franchise Agreement:

- 10 years: Bellevue (2028); Black Diamond (2028); and Sammamish (2026)
- 15 years: **Bainbridge Island (2022)**; Bremerton (2019); Buckley (2029); Burien (2019); Duvall (NA); Maple Valley (2020); Renton (2022); and Woodinville (2020).
- 20 Years: Normandy Park (2027)
- 25 years; Bellingham (2028); Kent (2018); and Lynden (2039).
- 30 years: Anacortes (2027); Issaquah (2040); and Puyallup (2014).
- Not included: Bonney Lake, Des Moines, Kenmore, Mercer Island, Sea-Tac, Snoqualmie, and Tumwater,

### **Other Findings from Outreach to Researchers and Municipalities**

During our research we had conversations with several people who had done research on Franchise Agreements or had been involved in negotiating Franchise Agreements. These included staff at NREL, staff from the World Research Institute, staff from Missoula, Montana, and individuals who have worked on Franchise Agreements in our area. The findings from those conversations are included below.

#### NREL Staff

- Most Cities negotiate a separate agreement parallel with the Franchise Agreement that incorporates Climate and Energy Goals. They are generally non-binding but have specific commitments.
- Separate agreements need to have performance metrics and/or commitments to ensure implementation.
- The length of the Franchise term is usually the most contentious topic (utilities want longer, cities want shorter). This can be used to negotiate other aspects of the Franchise Agreements.
- Include pilot projects in a separate agreement as a way to move forward.
- Franchise fees are used to fund specific projects.

#### World Research Institute

- Partnership Agreements between a City and Utility are a common method to achieve the Cities climate and energy goals.
- There are common elements to Partnership Agreements such as:
  - Framing Agreement (vision, values, collaboration, agreed on outcomes, agreement on “not tos”).
  - Implementation and Governance (governing body, work plans, regular dialogue, time frame, roles and responsibilities, and public engagement)

- Administration (duration, enforceability, costs and handling disagreements).
- To ensure a successful Agreement, must have clear metrics to track progress.

Other

- Need engaged leadership from City Council and City Manager.
- Need public engagement early and often.
- Need to start at least one year in advance of the expiration of the Franchise Agreement.
- Need to reach out to other communities in the PSE service area who are renegotiating Franchise Agreements in the next few years.
- Need to reach out to other communities who have done Franchise Agreements to learn from them.

**G. Recommendations**

Based on the research and findings above and the goals and policies of the 2017 Comprehensive Plan, the subgroup makes the following recommendations on the issues identified below.

**Recommendation #1: COBI and PSE will work to develop a separate Partnership Agreement in parallel with the development of a new Franchise Agreement.**

While some cities have incorporated specific climate, energy, safety, reliability and undergrounding goals in their Franchise Agreements, many others have used parallel Partnerships Agreements<sup>21</sup>.

Partnership Agreements establish working partnerships with the utility to develop a workplan for achieving the cities goals along with a mechanism for administrating the Partnership Agreements and establishes metrics and commitments from both parties.

The pros and cons of incorporating COBI climate, energy, safety, reliability, and undergrounding goals in a Franchise Agreement or Partnership Agreement are highlighted below.

Incorporate Climate and Energy Goals	Pros	Cons
<b>Franchise Agreements</b>	<ul style="list-style-type: none"> <li>● Franchise is a contract so agreements have more force.</li> </ul>	<ul style="list-style-type: none"> <li>● Less flexibility.</li> </ul>

<sup>21</sup> Bonugli, Celina; Duncan, Jake; Crandall, Kelly, and Etter-Wenzel, Cassandra. 2019. Utilizing City-Utility Partnership Agreements to Achieve Climate and Energy Goals. World Resources Institute. Working Paper. September 2019. <https://wriorg.s3.amazonaws.com/s3fs-public/utilizing-city-utility-partnership-agreements-achieve-climate-energy-and-goals.pdf>.

Incorporate Climate and Energy Goals	Pros	Cons
<b>Partnership Agreement in parallel</b>	<ul style="list-style-type: none"> <li>• May not be as contentious and easier to reach agreement.</li> <li>• Provides more flexibility</li> <li>• Majority of cities have developed Partnership Agreements in parallel.</li> </ul>	<ul style="list-style-type: none"> <li>• Generally non-binding.</li> </ul>
<b>Both</b>	<ul style="list-style-type: none"> <li>• Some issues are more amendable in the Franchise Agreement versus the Partnership Agreement and vice-versa.</li> <li>• Provides more flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>• More time and resources.</li> </ul>

We recommend that COBI and PSE develop a Partnership Agreement in parallel with the Franchise Agreement. While this makes the process more complicated, it can help ensure COBI’s climate, energy, safety, reliability, and undergrounding goals are achieved.

**Recommendation #2: The Franchise Agreement and Partnership Agreements shall contain specific commitments from both PSE and COBI.**

We believe it is important that both the Franchise and Partnership Agreements contain specific commitments to maintain accountability over the lifetime of the Agreements. The commitments must have timelines, specify how PSE and COBI will work together to meet those commitments, and spell out consequence of not meeting the commitments.

Table 3 provides a summary of the major commitments we recommend go into the Franchise Agreement and the Partnership Agreement. We believe these commitments are consistent with the goals and policies in the 2017 Comprehensive Plan.

**Table 3: Proposed Commitments for the Franchise and Partnership Agreements**

Area	Franchise Agreement	Partnership Agreement
<b>Collaboration</b>	PSE and COBI work collaboratively to achieve our shared goals for reducing environmental impacts, preparing for climate change, and increasing safety and reliability.	PSE and COBI work collaboratively to achieve our shared goals for reducing environmental impacts, preparing for climate change, and increasing safety and reliability.
<b>Transparency</b>	PSE commits to provide a semi-annual report and presentation to the City Council on their current and planned efforts to achieve the goals of the Franchise Agreement.	PSE commits to provide a semi-annual report and presentation to the City Council on their current and planned efforts to achieve the goals of the Partnership Agreement.

Area	Franchise Agreement	Partnership Agreement
<b>Demand Reduction</b>		PSE and COBI establish specific commitments to reduce both total energy demand and peak energy demand.
<b>Energy Supply</b>	<p>PSE and COBI work collaboratively to provide 100% carbon free electricity to Bainbridge Island by 2040, five years ahead of the CETA requirements.</p> <p>PSE and COBI work collaboratively to set interim benchmarks for this pathway to carbon free electricity that provide meaningful waypoints within the length of the agreement.</p> <p>PSE commits to provide COBI with information needed to complete the Bainbridge Island GHG emissions inventory (e.g., annual average ratio of CO2 emissions per KWH power/year) and other information related to GHG reductions as requested by COBI.</p>	
<b>Local Generation</b>		PSE and COBI commit to set targets for generating carbon free electricity on Bainbridge Island especially for low income, affordable, and senior housing.
<b>Green Building Fund</b>		PSE and COBI commit to explore establishing a Green Energy and Building Fund.
<b>Electrification of Transportation</b>		<p>PSE and COBI commit to develop the infrastructure needed for electric vehicles on Bainbridge Island, including the installation of fast charging infrastructure.</p> <p>PSE and COBI coordinate with Washington State Ferries and other entities as necessary to evaluate the need for, and feasibility of, establishing charging infrastructure on the Island to service ferries.</p>
<b>Reliability</b>	PSE commits to increase its transparency on reliability reporting and bring Bainbridge Island's SAIDI and SAIFI <sup>22</sup> numbers up to PSE's system averages.	PSE commits to post SAIDI and SAIFI comparisons to Kitsap County, the PSE service area, other major public private utilities in WA and IEEE or other industry standards.

<sup>22</sup> The metrics that describe the duration and frequency of interruptions are known as the **System Average Interruption Duration Index (SAIDI)** and **System Average Interruption Frequency Index (SAIFI)**.



Area	Franchise Agreement	Partnership Agreement
		<p>COBI commitments to facilitate discussion with the Community on improvements to the transmission, substations and other facilities on the island.</p> <p>PSE commits to post the status of projects completed, underway and planned to improve reliability by section and as a system. This should include “wired” and “non-wired” solutions such as battery storage and demand management.</p> <p>PSE commits to evaluating adding a specific amount of tree wire<sup>23</sup> over the next 2-3 years.</p>
<b>Undergrounding</b>	<p>PSE commits to develop a 15 to 20-year plan to underground the remaining (and future) above ground distribution segments. PSE would prioritize these segments by expected impact on reliability and safety. The annual program should be approximately equal each year.</p> <p>COBI would provide its financial commit in a timely fashion each year or biennium.</p>	<p>PSE commits to evaluate providing walking and biking paths in the right of way under the utility distribution lines.</p>

**Recommendation #3: The length of the PSE Franchise Agreement shall be 10 years.**

**The length of the Partnership Agreement will be determined during its development.**

We recommend that the length of the Franchise Agreement be for 10 years, which is the length of the Franchise Agreements in Bellevue, Black Diamond, and Sammamish according to the survey conducted by NREL<sup>24</sup>.

Our current Franchise Agreement is for 15 years. We believe, however, that a shorter duration is important due to the changing nature of the energy field and the rapid advancement in integrating renewable energy into the energy mix.

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<sup>23</sup> Tree wire or covered open wire consists of the conductor (aluminum, aluminum alloy or ACSR ) and the extruded covering (conductor shield, low density inner layer and protective outer layer). Covering thickness depends on the system voltage. It is designed for full span applications and is supported on polyethylene insulators

<sup>24</sup> Cook, Jeffrey; Grunwald, Bryn; Holm, Alison; and Aznar, Alexandra. 2020. Wait, cities can do what? Achieving city energy goals through Franchise Agreements. Energy Policy (144)(2020) 111619. National Renewable Energy Laboratory.

We would prefer a Franchise Agreement of just 5 years, but understand that the resources and time to complete Franchise Agreements is substantial. We recommend that the length of the Partnership Agreement be determined during the Franchise negotiations.

**Table 4: Comparison of Cities Franchise and Partnership Agreements for Salt Lake City, Denver, and Minneapolis**

<b>Element</b>	<b>Salt Lake City</b>	<b>Denver</b>	<b>Minneapolis</b>
Utility (Population Served)	Rocky Mountain Power (201K)	Xcel Energy (717K)	Xcel Energy (425K)
Climate Goal	Net 100% renewable by 2032	Reduce GHG emissions by 80 percent by 2050 from a 2005 baseline.	Reduce GHG Emissions by 15% 2015, 30% by 2025, and 80 percent by 2050 using 2006 as a baseline.
Franchise Agreement and/or Partnership Agreement	Franchise Agreement with parallel Joint Clean Energy Cooperation Statement	Franchise Agreement with parallel Low-Income Energy Assistance and Energy Conservation Contribution Agreement	Franchise Agreement with parallel Clean Energy Partnership
Length of Agreement	5 years	20 years	10 years with a termination clause that allows the city to exit the agreement at five years, provided a one-year notice is given and a two-thirds majority vote by City Council
Franchise Fee	6% Municipal Energy Sales and Use Tax—the maximum allowable under state law—from Rocky Mountain Power, the revenue from which goes into Salt Lake City’s general fund.	3% of gross revenue	Decoupled franchise fee rates from the Franchise Agreement and established a separate city ordinance that governs the franchise fees Xcel Energy customers pay to the City of Minneapolis
Types of Actions	<ul style="list-style-type: none"> <li>• Renewable energy</li> <li>• Energy Efficiency</li> <li>• EV infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Smart technology.</li> <li>• Xcel provided \$2 million for energy efficiency</li> <li>• Fuel switching-Mobile and Stationary Sector</li> <li>• Resilience: Microgrids</li> <li>• Transparency and data access</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy</li> <li>• Energy Efficiency</li> <li>• Green cost share program received \$1 million from Franchise fees.</li> </ul>
Metrics and/or Accountability Measures	Established in workplan.	Established in workplan.	Established in work plan.
Administration	Develop implementation plan with dates and deadlines to achieve goals and deliverables.	Develop workplan every two years.  Staff meet quarterly	Established a “Board” consisting of officials from the City and utility that develop a joint workplan,

Element	Salt Lake City	Denver	Minneapolis
	Publish annual report each year.		meet quarterly, and prepare an annual report.

SLC: [https://drive.google.com/file/d/1Zo\\_mLTVNO-sg01vnyZuszLfmLpcyd8LG/view](https://drive.google.com/file/d/1Zo_mLTVNO-sg01vnyZuszLfmLpcyd8LG/view)

Denver: <file:///C:/Users/bcsha/OneDrive/Documents/Mike/PSE/Denver%20Xcel%20Clean%20Energy%20MOU.pdf>

Minneapolis: <https://mplscleanenergypartnership.org/wp-content/uploads/2015/02/xcel-mou-attach-b.pdf>

**Table 5: Comparison of Cities Franchise and Partnership Agreements for Sarasota, Madison, and Charlotte**

<b>Element</b>	<b>Sarasota</b>	<b>Madison</b>	<b>Charlotte</b>
Utility (Service Population)	Florida Power & Light (58K)	Madison Gas and Electric Company (113K)	Duke Energy (360K)
Climate Goals	Reduce GHG emissions by 35% by 2025 from a 2003 baseline.	Carbon neutral by 2030 and 80% reduction in carbon emissions by 2050	100% of energy use in buildings and fleet from 100% carbon free sources by 2030 and city wide GHG emissions to below 2 tons CO2e per capita annually by 2050
Franchise Agreement or Partnership Agreement	Franchise Agreement with parallel Renewable Energy Agreement	Wisconsin law prohibits Franchise Agreements.  City has a MOU with Madison Electric (Clean Energy 2030 Framework)	North Carolina prohibits Franchise Agreements.  City has a MOCU with Low Carbon, Smart City Collaboration.
Length of Agreement	30 years	State does not allow Franchise Agreements but MOU is for 3 years.	NA
Franchise Fee	Maximum 6% fee on FPL's gross revenues in city limits that is passed to Sarasota.	State does not allow collection of Franchise fees.	NA
Types of Actions	<ul style="list-style-type: none"> <li>• EV charging stations</li> <li>• LEED Training</li> <li>• Energy education</li> <li>• Energy audits</li> <li>• Rooftop PV</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of Solar</li> <li>• Expansion of the use of Electric Vehicles</li> <li>• Promotion of Energy Efficiency</li> <li>• Social Equity and Economic Development</li> <li>• Other Transportation topics</li> </ul>	<ul style="list-style-type: none"> <li>• Smart technology.</li> <li>• Energy efficiency</li> <li>• Fuel switching-Mobile and Stationary Sector</li> <li>• Resilience: Microgrids</li> <li>• Transparency and data access</li> <li>• Reliability and Operations</li> </ul>
Metrics and/or Accountability Measures	Established in annual workplan	Annual progress report to City Council.	Developed as part of workplan for MOU.
Administration	FPL and city personnel provide biannual updates to the City Commission on FPL's activities in relation to the Renewable Energy Agreement	Establish an Energy Collaboration Steering Committee whose members will include up to five members from each Party.	Workplan that is updated every two years.

Sarasota: <https://www.sarasotafl.gov/home/showdocument?id=1008>

Madison: <https://madison.legistar.com/View.ashx?M=F&ID=5194697&GUID=0E90141C-723E-4A8C-B70F-584955371518>

Charlotte: <https://charlottenc.gov/sustainability/seap/SEAP/Duke%20MOU.PDF>

**Table 6: Comparison of Cities Franchise and Partnership Agreements for Chicago and Missoula**

<b>Element</b>	<b>Chicago</b>	<b>Missoula</b>
Utility (Service Population)	Commonwealth Edison (2.7 million)	Northwestern (74K)
Climate Goals	Reduce GHG by 25% by 2020 compared to 1990 levels and 80% reduction by 2050.	100% clean electricity by 2030 and carbon neutrality for City operations by 2025
Franchise Agreement or Partnership Agreement	Franchise Agreement with incorporated energy objectives	Montana law does not allow Franchise Agreements.  Missoula developed a MOU with Northwestern.
Length of Agreement	29 years	No Franchise agreement.
Franchise Fee	ComEd was required to pay the equivalent of a 4% fee on aggregate revenues received from accounts in Chicago’s jurisdiction over the life of the agreement	No Franchise fee.
Types of Actions	<ul style="list-style-type: none"> <li>• Energy efficiency programs for small businesses</li> <li>• Revolving loan funds for city energy efficiency projects</li> <li>• Research and development for renewable energy projects at city facilities</li> </ul>	<ul style="list-style-type: none"> <li>• New Utility-Scale Renewables</li> <li>• New Community-Scale Renewables</li> <li>• Expanded energy efficiency, conservation, and other demand-side measures</li> <li>• Electrification of Transportation</li> <li>• Distribution Grid Modernization</li> <li>• Resilience Planning</li> </ul>
Metrics and/or Accountability Measures	Metrics included in Supplemental Agreement for energy conservation, reliability, cogeneration, transmission and distribution lines	Developing an implementation plan that will include commitments and metrics.
Administration	City staff in conjunction with Con Ed.	Established working committee with City and Northwestern.

Chicago: <https://drive.google.com/file/d/1rzNco24TIOh5TQtIOkKE3SW4Td6QZbGL/view?usp=sharing>.

Missoula: <https://www.engagemissoula.com/missoulas-100-clean-electricity-initiative>

## **Appendix A: Current COBI and PSE Franchise – Undergrounding.**

### 14 Underground of Facilities

14.1 PSE acknowledges that the City desires to promote a policy of undergrounding of facilities within the Franchise area. The City acknowledges the PSE provides electrical service on a non-preferential basis subject to and in accordance with the Tariffs on file with the WUTC. Subject to and in accordance with such Tariffs, PSE will cooperate and participate with the City in the formulation of policy and development regulations that concerning undergrounding of PSE’s facilities within the Franchise Area.

14.2 The City by written notice to PSE, require PSE to underground its existing distribution facilities (of 15,000 volts or less) within the Franchise Area: provided, that such conversion of PSE’s existing Franchise shall be accomplished in accordance with PSE’s applicable tariffs and schedules on file with the WUTC.

14.3 If PSE elects to install new overhead distribution facilities (of 15,000 volts or less within the Franchise Area or a new extension of existing overhead distribution facilities within the Franchise Area, PSE will provide written notice to the City. The City may be written notice to PSE, may require PSE to install such facilities underground within the Franchise Area; provided, that such installation underground of PSE’s Facilities shall be accomplished in accordance with PSE’s applicable tariffs and schedules on file with the WUTC.

## **Appendix B: 2017 Bainbridge Island Comprehensive Plan**

### **UTILITIES ELEMENT**

#### **ELECTRICAL**

The City is currently served by Puget Sound Energy (PSE), which provides electricity generation sources, transmission, distribution and maintenance of electrical facilities throughout the island. PSE is regulated by the Washington Utilities and Transportation Commission (WUTC.) It is the commission's responsibility to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit.

#### **GOAL U-14 Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.**

Policy U 14.1 Develop a plan together with the electric service provider to undertake energy efficiency improvements and other alterations of electric utility facilities to provide capacity for future growth.

Policy U 14.2 Encourage the conservation of electrical energy, especially during periods of peak usage, and encourage energy saving building code strategies, local renewable energy, and other cost-effective approaches to meeting the island's energy needs, including distributed energy systems.

Policy U 14.3 Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.

Policy U 14.4 Encourage undergrounding new and existing electric transmission and distribution power lines, and develop a long-term strategy for future undergrounding, to include maximizing opportunities with new construction, and prioritizing the work that affects the greatest number of households and businesses.

Policy U 14.5 Encourage the electric service provider and electricity users to use carbon neutral electricity generation, local electricity generation, and innovative technologies such as solar power that are reliable, cost effective, preserve resources, provide minimal environmental impact, and do not contribute to global warming.

Policy U 14.6 Periodically undertake comparative evaluations of electric service reliability, cost, and environmental impact, customer service and customer support and evaluate opportunities to provide improved and less costly electrical service from alternative service providers.

Policy U 14.7 New taxpayer-funded buildings shall use carbon-neutral energy for heating, cooling, and operational use to the maximum extent practical within site specific and existing technology limitations.



Policy U 14.8 Encourage new development to integrate environmentally responsible and innovative energy systems.

Policy U 14.9 Explore ways to obtain 100% green electricity including investing in new renewable energy projects

## Climate Café

Saturday, October 28<sup>th</sup>, 2023.

10:00 AM – 12:00 Noon

Seating begins at 9:45 AM

Grace Episcopal Church

8595 NE Day Rd, Bainbridge Island, WA 98110

**TO REGISTER:** Email your name & phone # to [climatecafe.earth@gmail.com](mailto:climatecafe.earth@gmail.com)

**RESERVATION IS REQUIRED:** Seating is limited.

The **Climate Café** is a safe place for people to come together in circles of trust to share and bear witness to the varied personal perceptions they have about the future of our **Earth** home and our interconnected life. This is not a place for educating, promoting or convincing, but one of compassionate companioning one another on this shared journey. All tables are limited to 5 or 6 people. Each table will have a trained facilitator.



*Participants are welcome to bring a small plate of finger food to share at the mid-event break.*

**FOR MORE INFORMATION,** you can contact Rick Freeman: [bizrickfreeman@gmail.com](mailto:bizrickfreeman@gmail.com)  
or Michael Cox: [toxman57@gmail.com](mailto:toxman57@gmail.com)

## Electrification and Home Efficiency Fair (October 10th, 2023)

**Purpose:** Provide information and hands on demonstrations for the public on how to electrify and make their home more energy efficient.

**Why:** To meet our goals in the Climate Action Plan we must green our energy supply and reduce our energy demand. This Fair will provide information and tools for homeowners and businesses on how to green their supply and reduce their demand.

**When:** Saturday in March/April 2024 from 10:00 – 1:00.

**Where:** Woodward Middle School Gym

**What:** We would have information on incentives, rebates and other programs on what people can do such as:

- BI heat pump program
- Inflation Reduction Act
- PSE programs
- Other rebate and incentive programs

**Who:** We would ask State Commerce/Ecology representatives, contractors, representatives of products, dealers, PSE, City staff, architects, etc. to participate

**Organizers:** We would mobilize the different groups on the Island such as Climate Action Bainbridge, Sustainable Bainbridge, Citizens Climate Lobby, and CCAC.